NAVY ARO – DAU Partnership

Building a Risk Management Community

&

Other Topics

John Driessnack
DAU – NE/Capital
PML Department

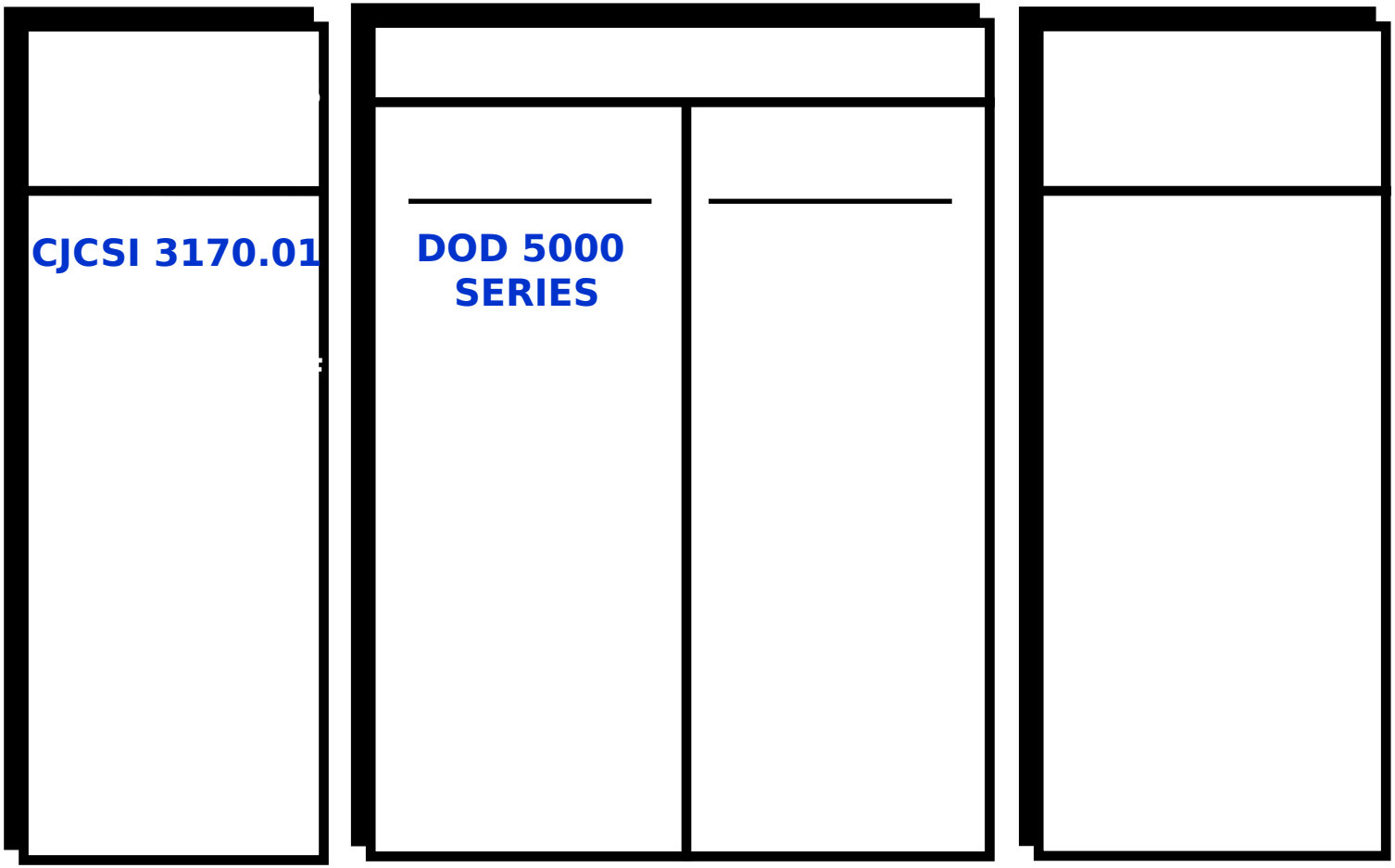
PM CoP
Program Managers Community of Practice

OUTLINE

- The CHALLENGE
  - DoD 5000 to CJCS 3170.01 changes
  - Understanding of Risks in this business
- DAU Performance Learning Model
- DAU Courses – PMT-250, others
- DoD AT&L Knowledge Sharing System
- PM Community of Practice (PMCOP)
  - Risk Community (go through the site)
  - Transition from pilot at Navy ARO to DAU

The Challenge

Knowledge Management for the DOD and Industry Acq, Tech and Logistics Force


CJCSI 3170.01
DOD 5000
SERIES

New Acquisition Policy

From This
(April 2002)

- DoD Directive 5000.1
- DoD Instruction 5000.2
- DoD Regulation 5000.2-R

www.dod5000.dau.mi

To This
(30 Oct 2002)

- Interim Guidance Documents:
  - -The Defense Acquisition System
  - -Operation of the Defense Acquisition System
  - -Interim Defense Acquisition Guidebook

- DoDD 5000.1 & DoDI 5000.2 will be reissued in January 2003.
- DoD 5000.2-R will not be reissued.
- The former DoD 5000.2-R serves as the Interim Guidebook pending issuance of a streamlined guidebook. The former DoD 5000.2-R is NOT mandatory.

DEPSECDEF Memo, Defense Acquisition, 30 Oct 2002, attachment 1, The Defense Acquisition System

DoDD 5000.1, chg1, 4 Jun 01 – The Defense Acq System, 30 Oct 02

- **Five major categories containing 14 definitive policy statements:**
  - Achieving Interoperability
  - Rapid & Effective Transition from S&T to Products
  - Rapid & Effective Transition from Acquisition to Production
  - Integrated & Effective Operational Support
  - Effective Management
- **8 pages and 3 enclosures**

Most policy statements from DoDD 5000.1 have been summarized and included in the new interim guidance. Many policy areas were added from cancelled DoDI 5000.2 and DoD

- **Thirty short, clear and concise policy statements, with following additions:**
  - Decentralized Responsibility
  - Reduced Cycle Time
  - Collaboration
  - Information Superiority
  - Information Assurance
  - Intelligence Support
  - Knowledge-Based Acquisition
  - Systems Engineering
  - Products, Services & Technologies
  - Performance-Based Logistics
  - Program Goals
  - Legal Compliance
  - International Agreements
  - Cost Realism
  - Cost Sharing
  - Program Information

DEPSECDEF Memo, Defense Acquisition, 30 Oct 2002, attachment 1, The Defense Acquisition System

Major Policy Statements

From DoDI 5000.2

- Cost Sharing
- Cost Realism
- Reduced Cycle Time
- Collaboration
- Legal Compliance
- International Agreements

From DoD 5000.2-R

- Intelligence Support
- Systems Engineering
- Performance-Based Logistics
- Program Goals
- Program Information

From DoDD 5000.1

- Tailoring
- Innovation, Continuous Improvement, and Lessons Learned
- Technology Development & Transition
- Interoperability
- Research & Technology Protection
- Performance-Based Acquisition
- Competition
- Independent Operational Test Agency
- Streamlined & Professional

From DoDI 5000.2 & DoD 5000.2-R

- Information Superiority
- Information Assurance
- Products, Services & Technologies

DEPSECDEF Memo, Defense Acquisition, 30 Oct 2002, attachment 2, Operation of the Defense Acquisition System

Evolutionary Acquisition

- **Two development processes to implement Evolutionary Acquisition Strategy**
  - **Incremental Development: End-state requirement is known, and requirement will be met over time in several increments**
  - **Spiral Development: Desired capability is identified, but end-state requirements are not known at Program Initiation. Requirements for future increments dependent upon technology maturation and user feedback from initial increments**
- **Evolutionary acquisition strategies shall be preferred approach to satisfying operational needs.**
- **Spiral development shall be the preferred process.**

DEPSECDEF Memo, Defense Acquisition, 30 Oct 2002, attachment 2, Operation of the Defense Acquisition System

New Requirements Documents

- **Initial Capability Document (ICD) replaces MNS at Milestone A**

  Captures capability shortfall in terms of integrated architectures; identifies critical capabilities to satisfy the requirement, and best joint solution(s).

- **Capability Development Document (CDD) replaces ORD at Milestone B**

  Each CDD will have a set of validated KPPs that will apply only to that increment of the evolutionary acquisition strategy.

- **Capability Production Document (CPD) replaces ORD at Milestone C** (updated CDD)

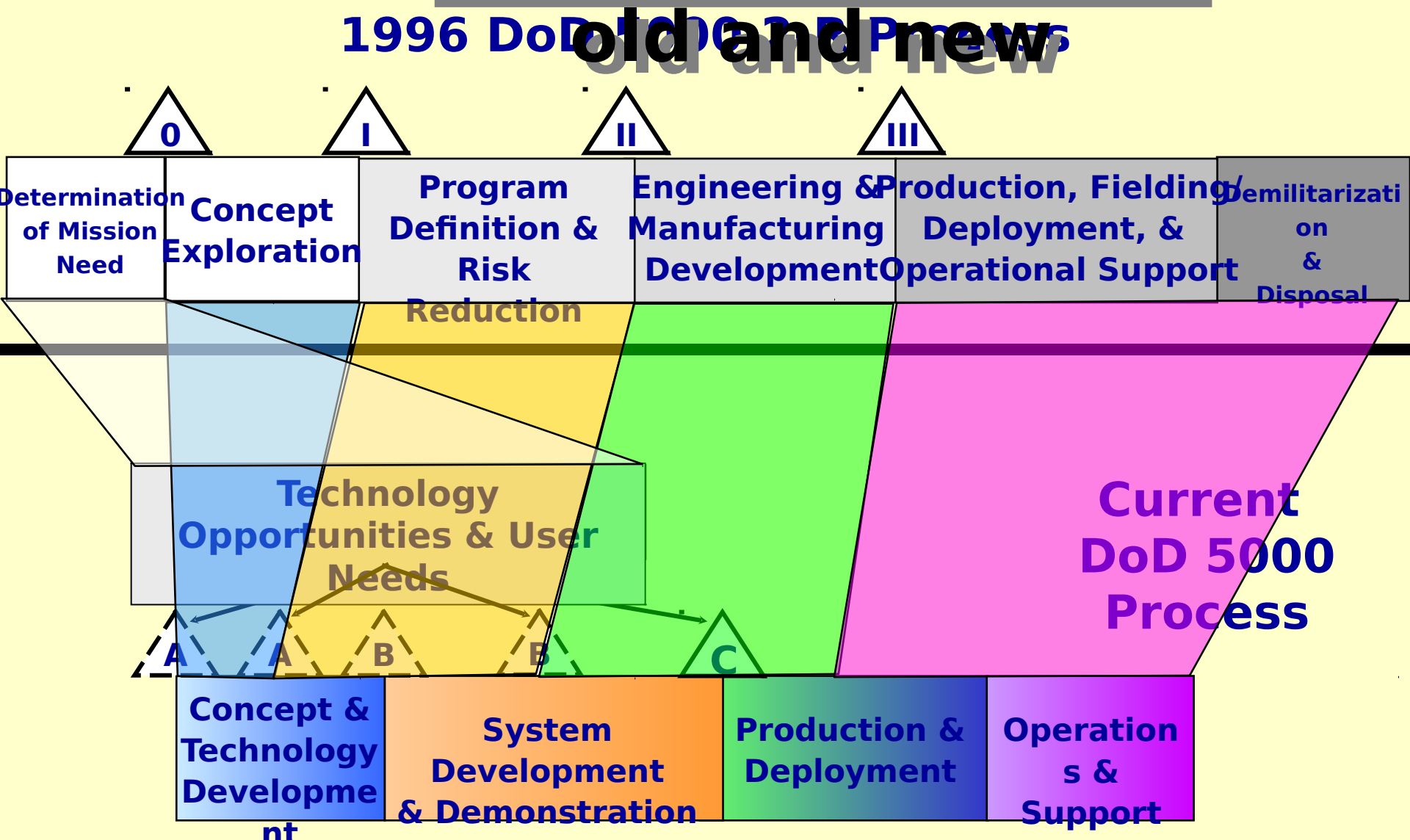
- **Common element is CAPABILITIES that may be required to:**

  Resolve a shortfall in warfighting capability, accommodate technology breakthrough or intelligence discoveries.

Details will be implemented by revisions to CJCSI 3170.01B.

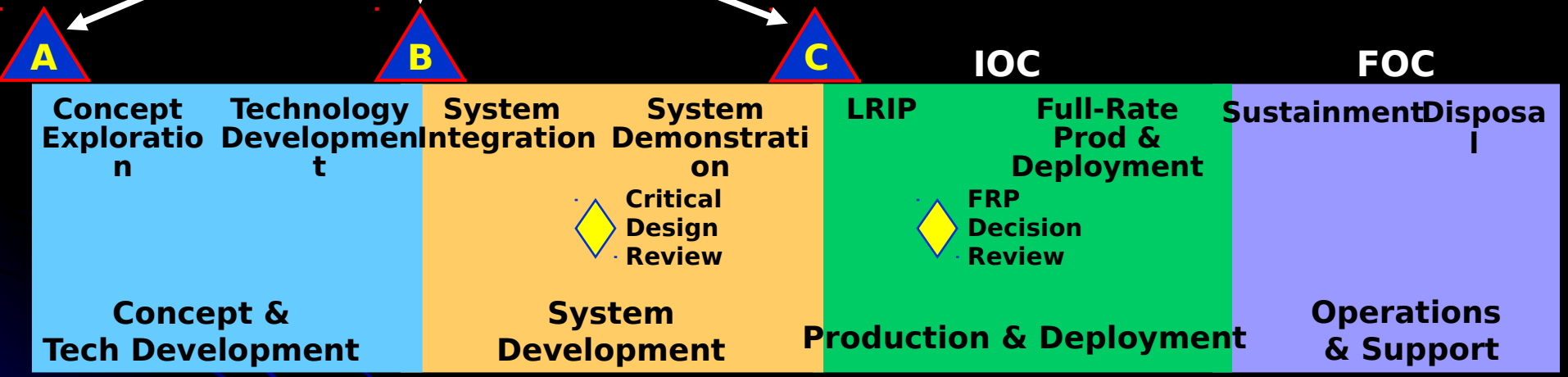
The 5000 Process

Old and new



The 5000 Model

- Process entry at Milestones A, B, or C
- Entrance criteria met before entering phases
- Evolutionary Acquisition or Single Step to Full Capability



Pre-Systems Acquisition

Systems Acquisition
(Demonstration, Engineering Development, LRIP & Production)

Sustainment

IOC: Initial Operational Capability
FOC: Full Operational Capability

Initial Capabilities Document (ICD)

Capabilities Development Document (CDD)

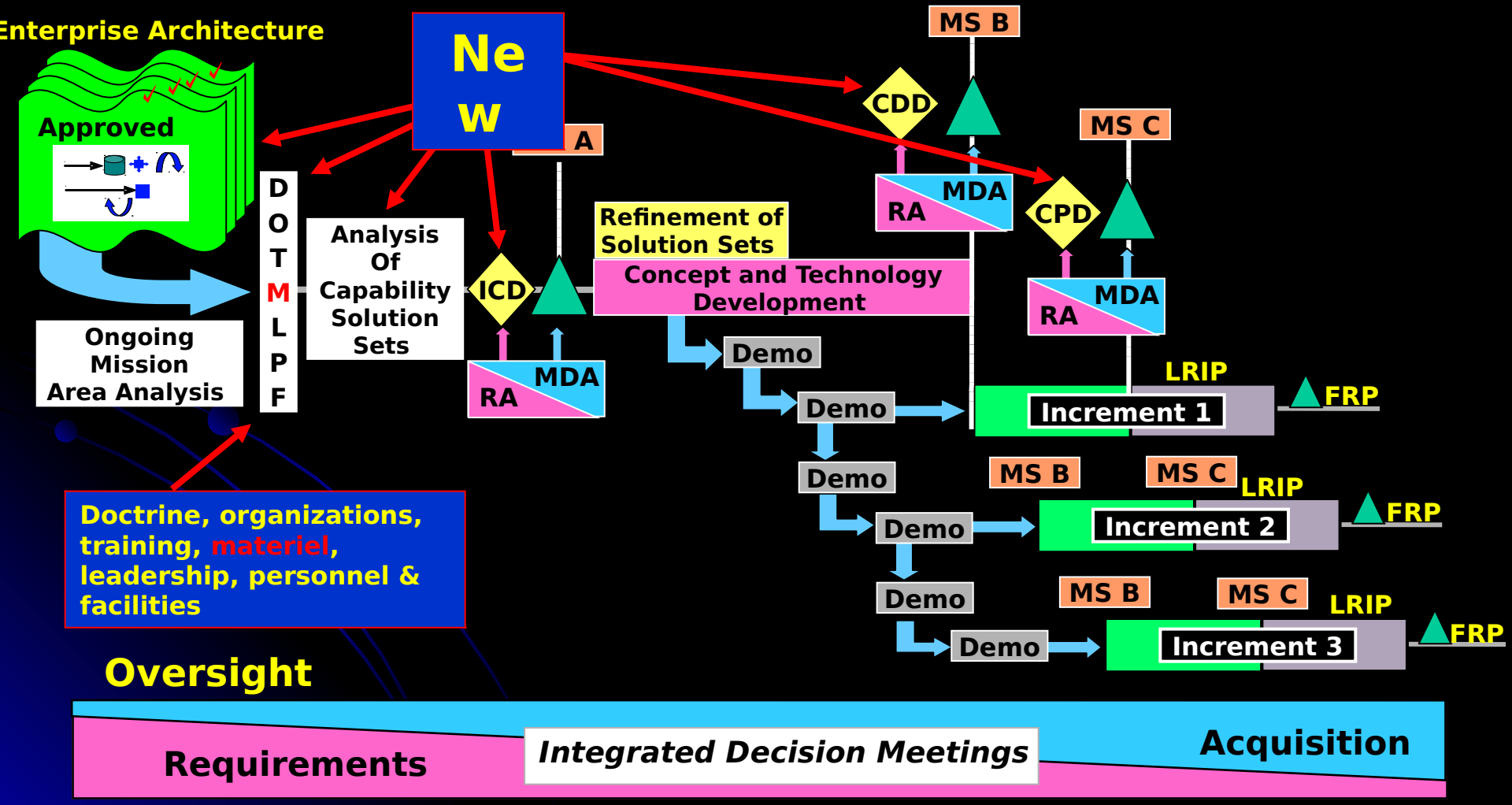
Capabilities Production Document (CPD)

Validated & approved by operational validation authority

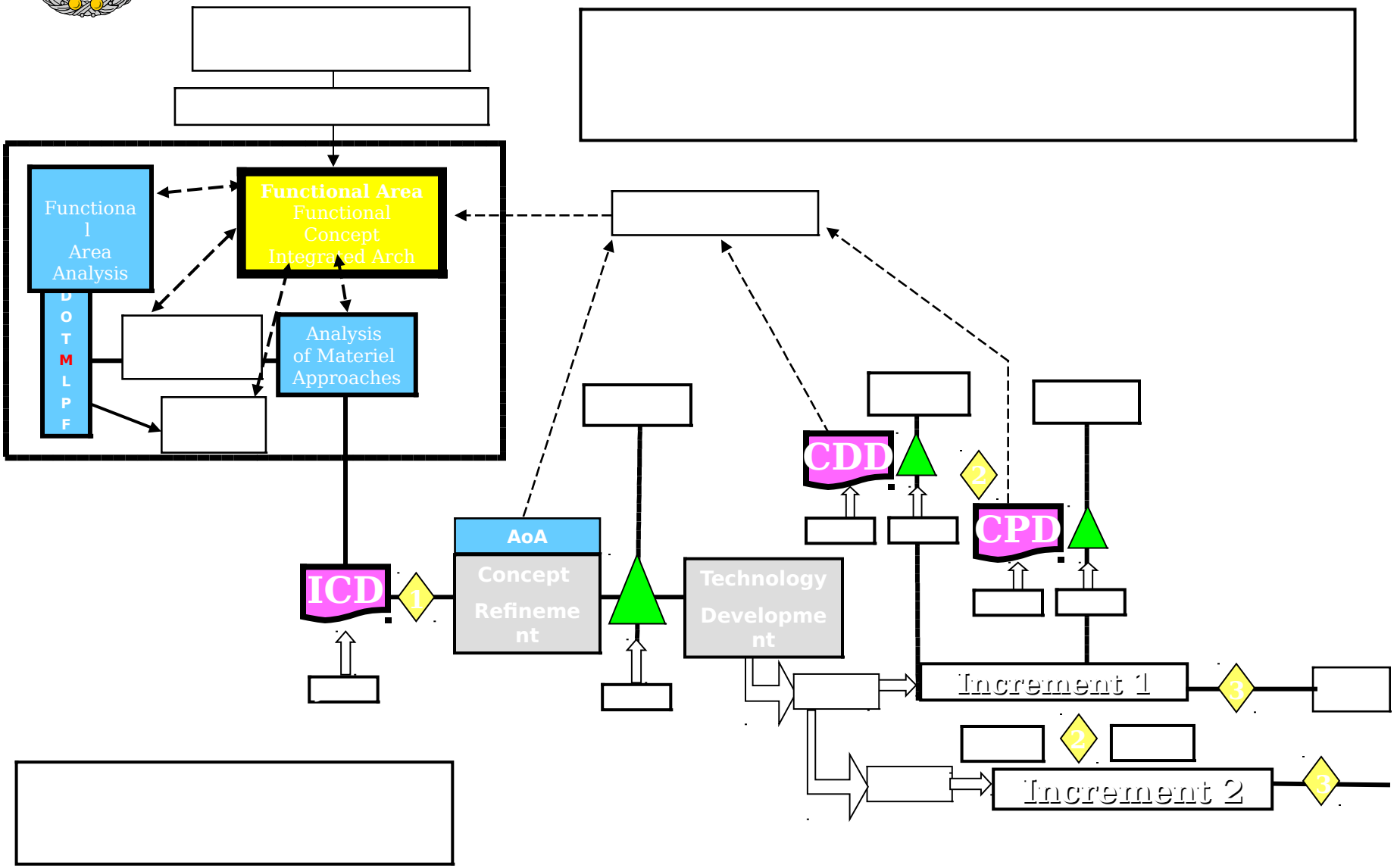
Relationship to Requirements

DEPSECDEF Memo, Defense Acquisition, 30 Oct 2002, attachment 2, Operation of the Defense Acquisition System

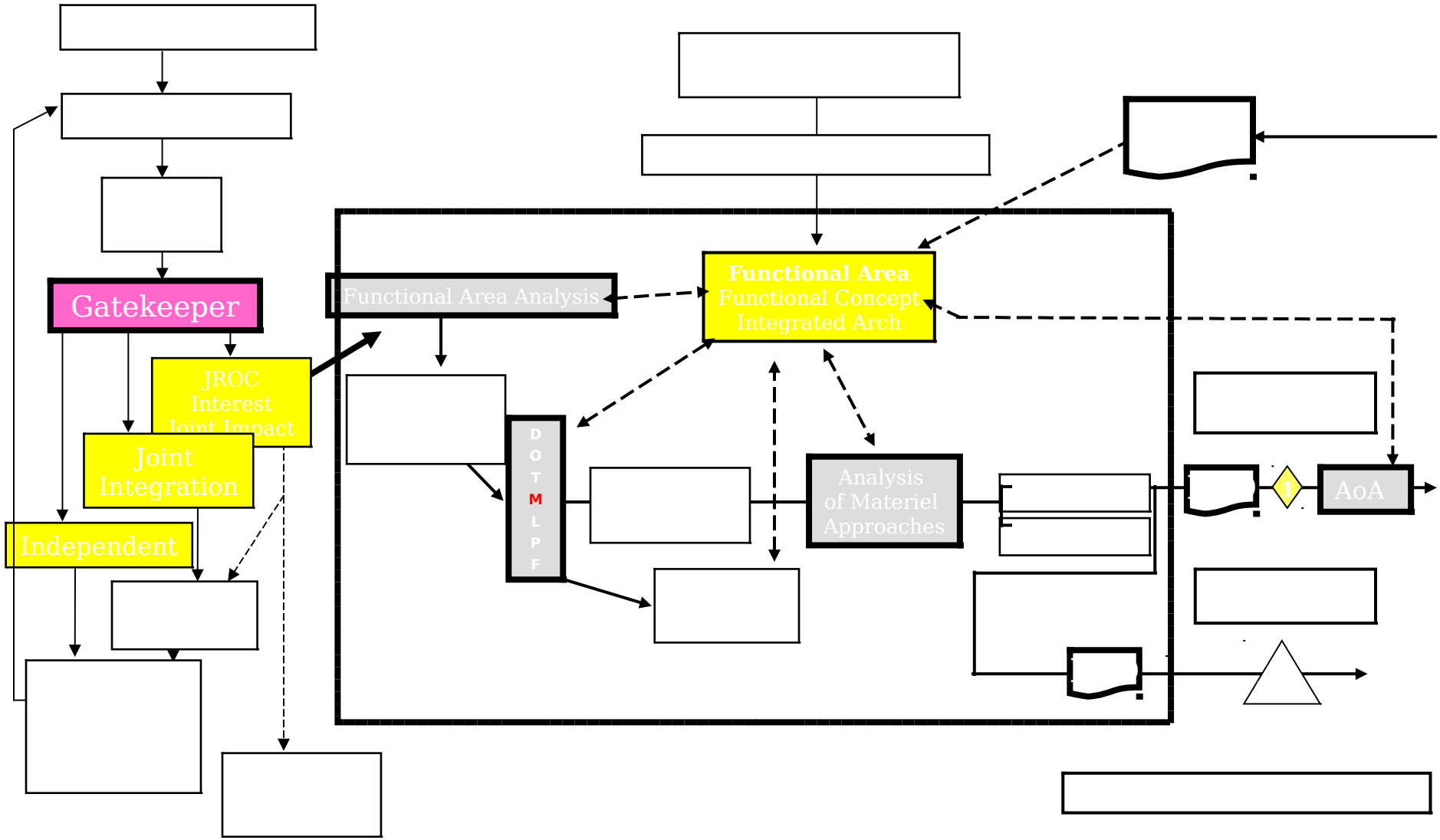
Requirements/Acquisition Process



Joint Capabilities Integration and Development System (JCIDS)



Service or Other Input to the FCB



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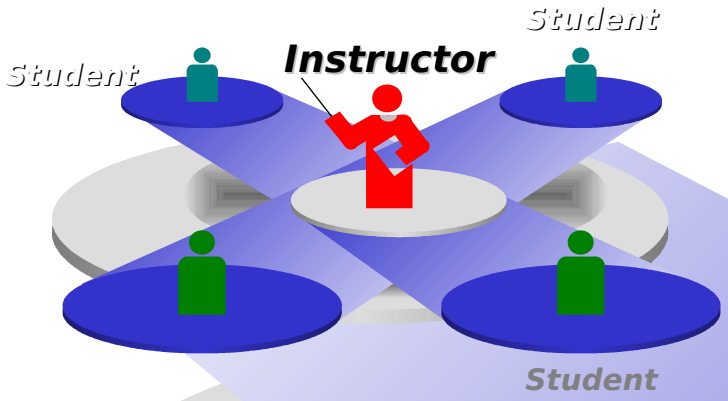
A Structured Approach to Organizing AT&L Intellectual Capital

DAU Performance Learning Model

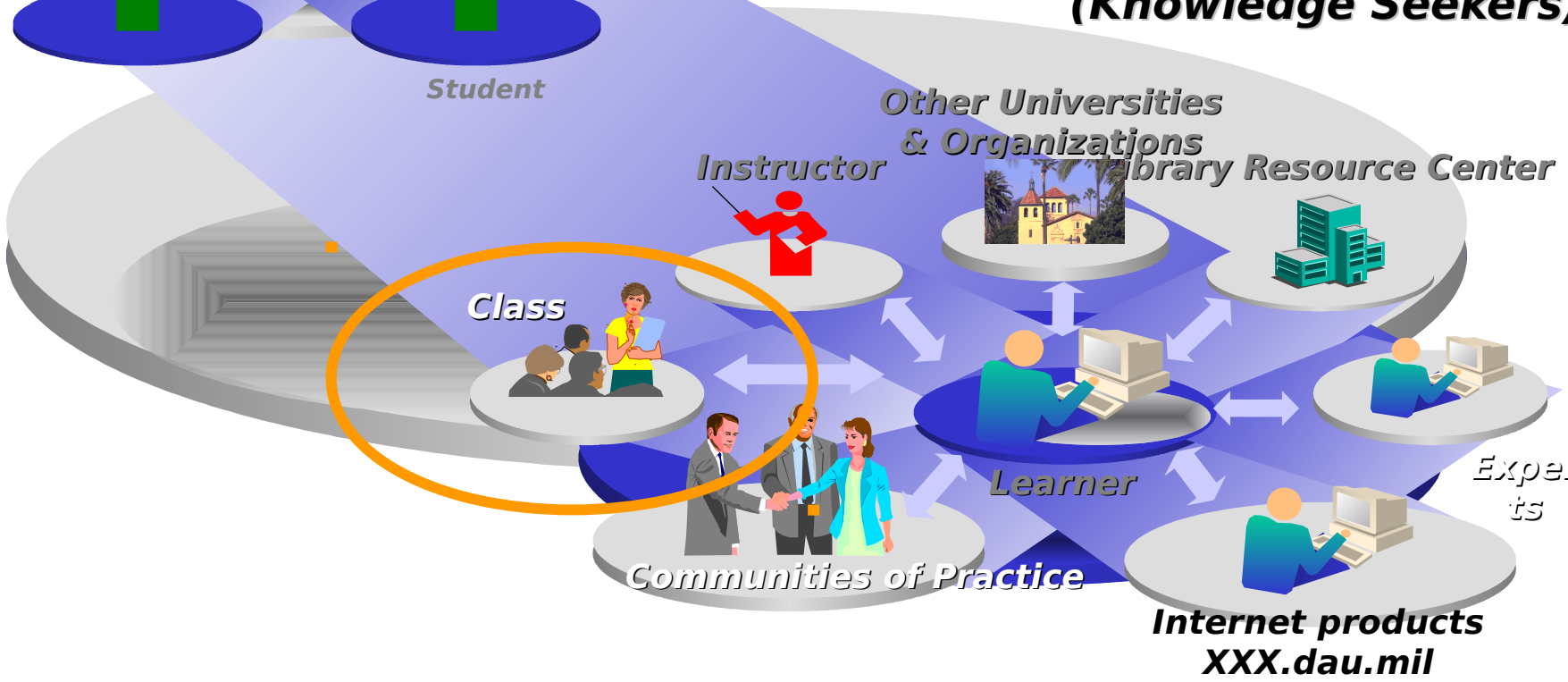
DAU's Learning Paradigm Shift

Instructor Centric

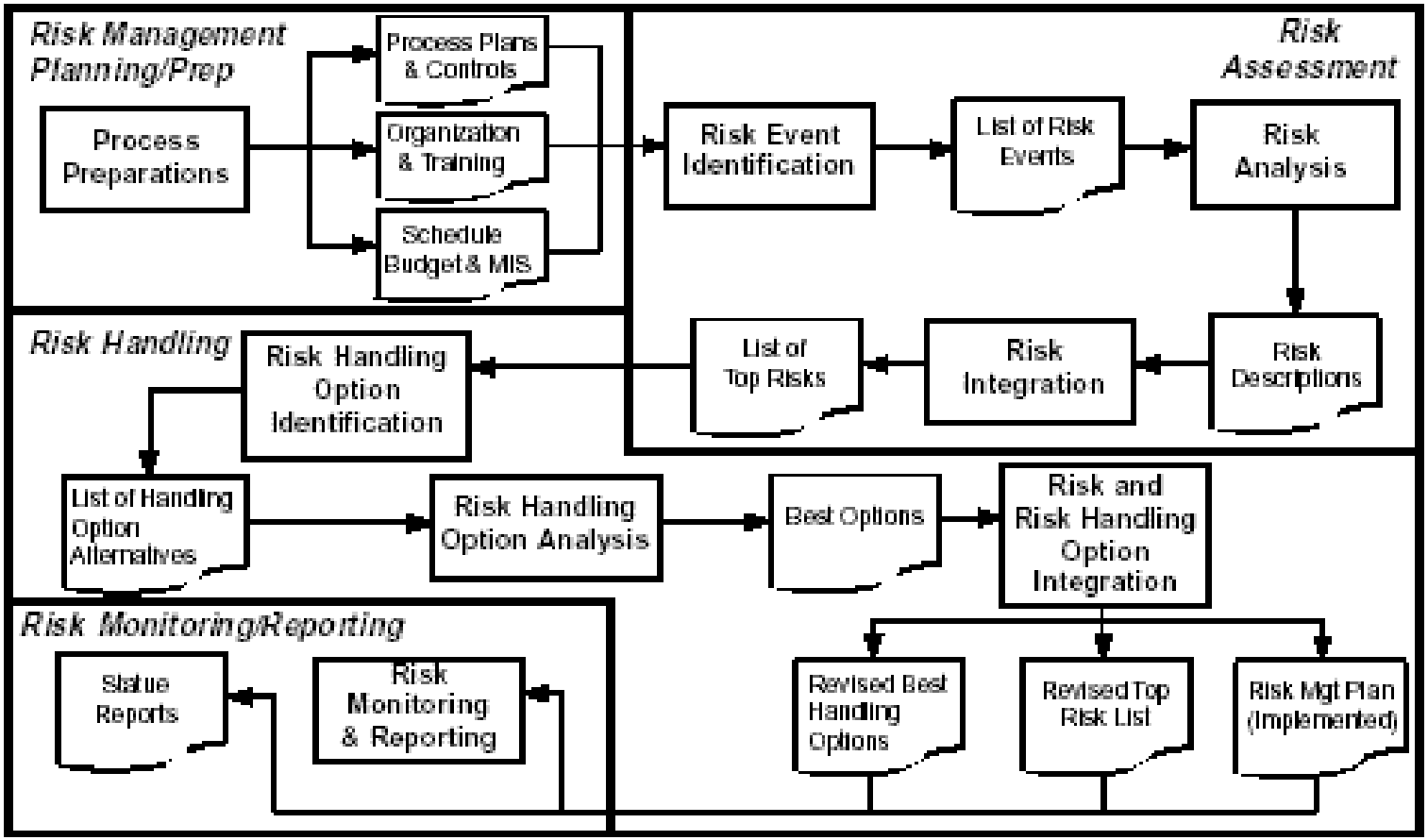


Learner Centric

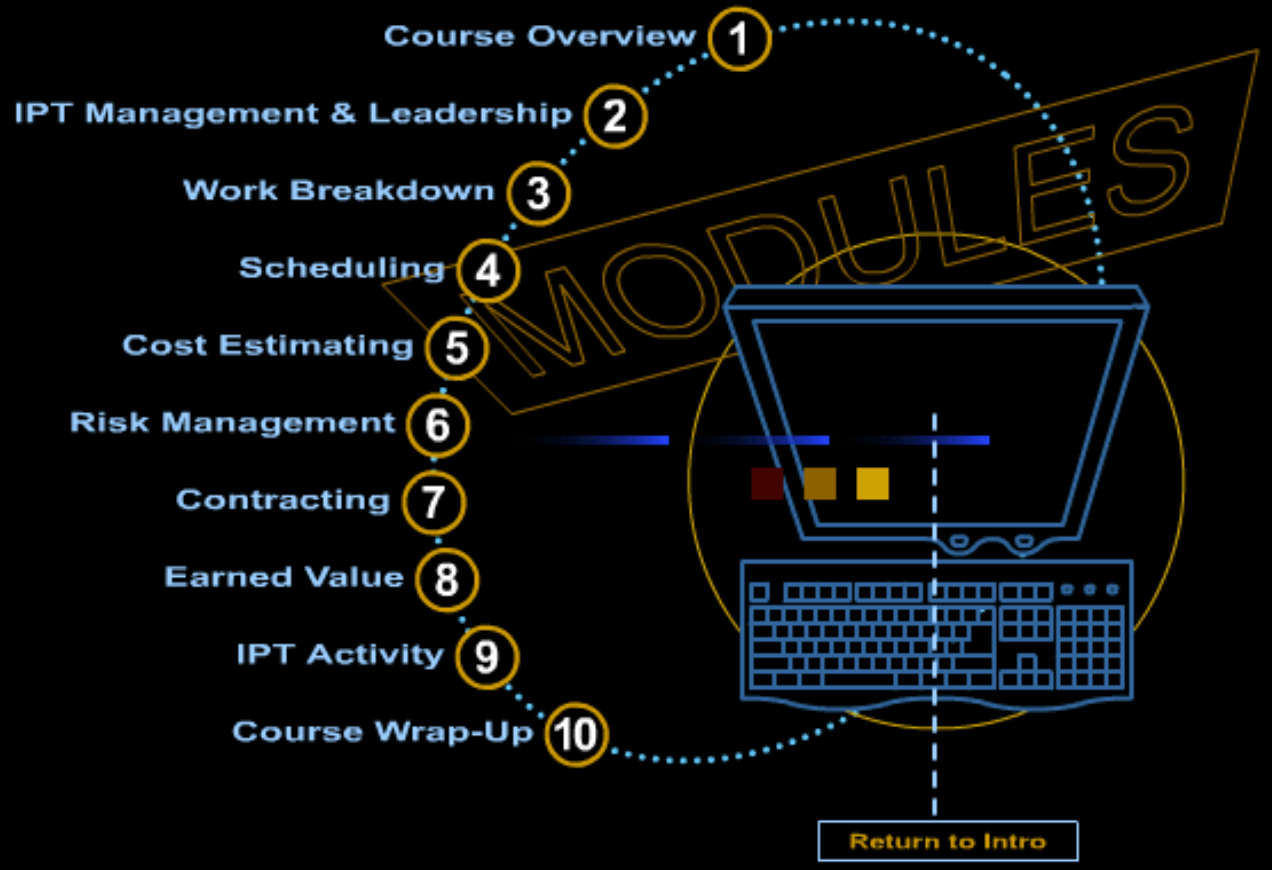
(Knowledge Seekers)



RISK MANAGEMENT PROCESS MODEL



http://www.dau.mil/pubs/misc/toolkit.asp


Course Overview 1
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Work Breakdown 3
Scheduling 4
Cost Estimating 5
Risk Management 6
Contracting 7
Earned Value 8
IPT Activity 9
Course Wrap-Up 10
MODULES
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Module Contents

Introduction

Basic Training

DoD Definition

Risk Management Process Flow

Risk Assessment Process

Risk Assessment Techniques

Typical DoD Risk Areas

Risk Handling Options

Government-Contractor Collaboration

Tools

Tools Practice

Summary

Exam

Risk Management

DoD Definition

Risk is a measure of the inability to achieve overall program objectives within defined cost, schedule, and performance constraints.

Risk should be measured in terms of the **probability**, or likelihood, of failing to achieve a particular outcome and the **consequences**, or impact, of failing to achieve that outcome.

Risk Management is the act or practice of controlling the risk events (possible adverse outcomes) that affect the program. It is the process of "crystal-balling" possible future problems and taking actions to head off or mitigate those problems. It includes:

- Identifying, analyzing, and tracking risk events
- Evaluating the likelihood of the occurrence and consequences of risk events
- Defining risk-handling plans
- Performing continuous assessments and monitoring to determine how risks change during the life of the program

Risk Management is an integral part of program management responsibility. It requires all team members to use a disciplined approach so that risk is reduced to an acceptable level. This is done by assessing and handling the risks associated with the design, manufacturing, technology, test, and support functions that are part of systems acquisition. A good risk management program can enhance program management effectiveness and provide managers with an important tool for reducing a system's life cycle costs.

Five Steps for Using Risk+

I. Plan your project

In order to use Risk+ you must have a project plan prepared in MS Project '98. The plan should have a complete critical path network in to achieve meaningful risk analysis results.

II. Select tasks for detailed analysis

Risk+ will collect and generate detailed statistical information for tasks you identify in this step. Typically, only the key or high risk tasks are analyzed, rather than analyzing all the tasks in the project plan.

III. Enter risk parameters

You must enter minimum, most likely, and maximum duration and cost information for each program activity (low level task). Additionally, you must specify the relative likelihood of outcomes within each range.

IV. Run the risk analysis program

In this step, you tell Risk+ what analyses to perform, and how many possible outcomes to examine before generating its results.

V. Review risk analysis results

Risk+ generates a variety of graphical reports (histograms) which you can use to evaluate the effects of risk on your project.

"CLICK" TO CONTINUE...

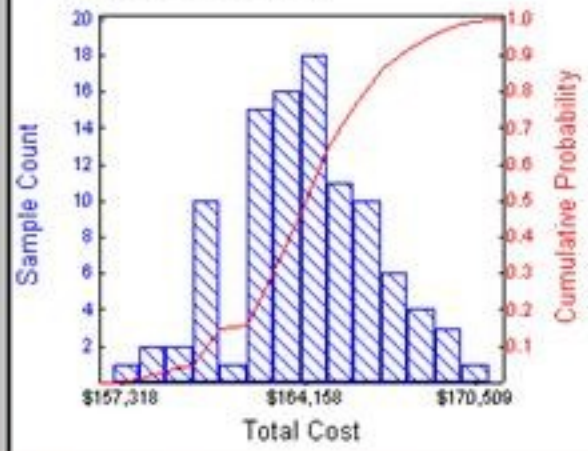
Cost Histogram

Name: Design Phase 1 Duration: 2d Fixed Previous Next

Start: Mon 2/21/94 Finish: Tue 2/22/94 Percent Complete: 0%

Date: 9/6/00 9:12:40 AM
Number of Samples: 100
Unique ID: 2
Name: Design Phase 1

Cost Std Deviation: $2,631
95% Confidence Interval: $516
Each bar represents $1,000



Cost Probability Table

Prob	Cost	Prob	Cost
0.05	$159,532	0.55	$164,350
0.10	$160,356	0.60	$164,837
0.15	$160,922	0.65	$164,963
0.20	$162,061	0.70	$165,181
0.25	$162,599	0.75	$165,721
0.30	$162,977	0.80	$166,414
0.35	$163,203	0.85	$166,756
0.40	$163,426	0.90	$167,385
0.45	$163,921	0.95	$168,752
0.50	$164,236	1.00	$170,509

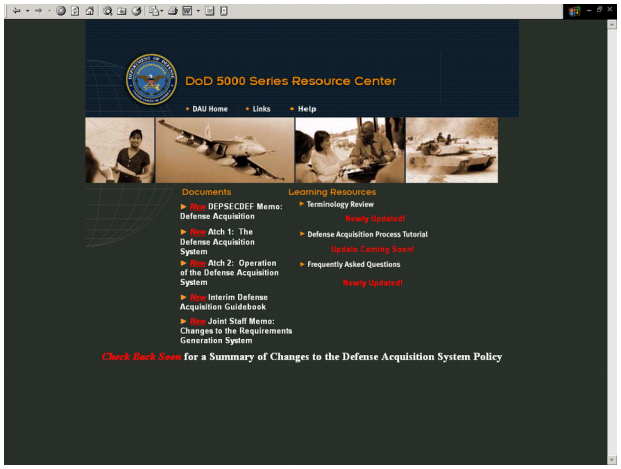
The **Cost Probability Table** shows the probability that the task will be completed for a certain cost.

"CLICK" TO CONTINUE...

DoD AT&L Knowledge Sharing

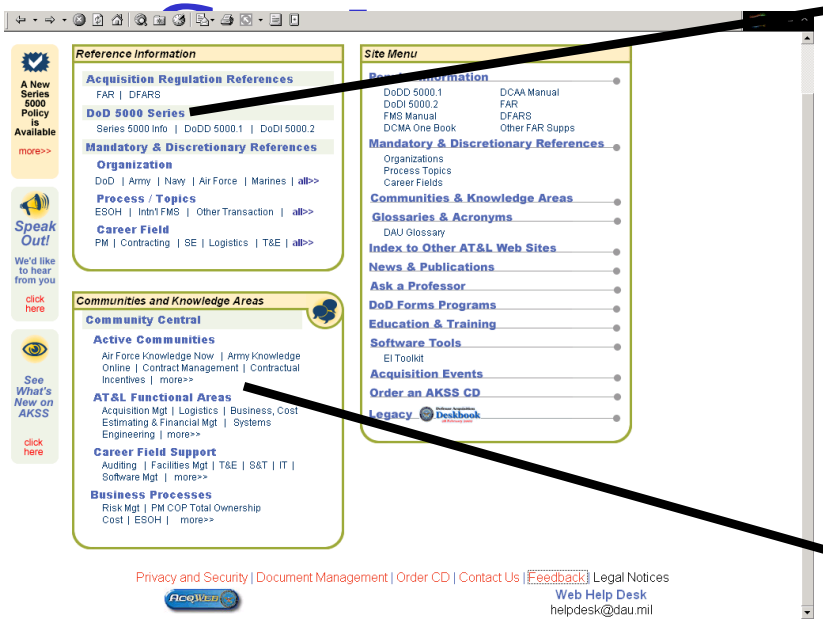
Expands upon and replaces DoD Desk Book

New Policy



DAU 5000 Resource Center

Guidance and Contacts


A New Series 5000 Policy is Available
more>>
Speak Out!
We'd like to hear from you
click here
See What's New on AKSS
click here
Reference Information
Acquisition Regulation References
FAR | DFARS
DoD 5000 Series
Series 5000 Info | DoDD 5000.1 | DoDI 5000.2
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Active Communities
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Web Help Desk
helpdesk@dau.mil

New Gateway to Policy, Processes, Tools and Experts

Career Field and Business Process

ATEL Knowledge Sharing System
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ESOH | Intn'l FMS | Other Transaction | all>>
Career Field
PM | Contracting | SE | Logistics | T&E | all>>
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Education & Training
Software Tools
EI Toolkit
Acquisition Events
Order an AKSS CD
Legacy Deskbook
www.deskbook.dau.mil

Active Communities

Air Force Knowledge Now

Soup to nuts communities for the Air Force and its partners. This is a secure site and may not be accessible from outside a dot mil or dot gov address.

Army Knowledge Online

This portal site requires user account creation, log-in and may not be accessible from outside a dot.mil or dot gov address.

Contract Management

The Contract Management Community is structured around supporting practitioners with the contracting processes, keeping them informed of changes within the contracting field, and offering a forum for communication and collaboration.

Contractual Incentives

The Contractual Incentives Knowledge Asset is an evolving resource for acquisition professionals faced with the diverse challenges of developing and implementing effective incentive strategies that lead to successful business relationships.

Facilities Engineering Career Field Community

The Facilities Engineering Career Field encompasses a variety of professional individuals with diverse skills focused on the design, construction, and life-cycle maintenance of military installations, facilities, civil works projects, airfields, roadways, and ocean facilities.

Navy Knowledge Online

This portal site requires user account creation, log-in and may not be accessible from outside a dot.mil or dot gov address.

DoD Program Management

The DoD Program Management Community is a publicly accessible umbrella gateway to DoD sponsored and formally established cross service/agency/industry Communities of Practice and Special Interest Area Major Communities of Practice include Systems Engineering, Risk Management, Contract Management and Total Ownership Cost.

Risk Management

The Risk Management Community provides a resource for job performance support structured around the Risk Management Process and offers continued collaboration and information sharing among community members.

Systems Engineering

The Systems Engineering Community provides guidance in requirements analysis and standardization, presents a variety of Systems Engineering specific tools, and encourages communication and collaboration among community members.

Total Ownership Cost

The Total Ownership Cost Community is focused on bringing community members together by offering collaborative areas for TOC disciplines, content centered around R-TOC, and communication and interaction across all areas of TOC.

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- PM Community of Practice (PMCOP)
  - Risk Community (go through the site)
  - Transition from pilot at Navy ARO to DAU

PM Community of Practice

Why

- OSD-championed, DAU partnership
- Business process oriented, PM-selected communities
- Concentrated on ACAT program team performance

PM CoP

http:/www.pmcop.dau.mil

Who

- Total acquisition workforce, Open to industry
- Leadership, experts, practitioners, peers

Risk Management

Systems Engineering Management

What

- Collaboration forums
- Information, knowledge, expert, and peer search
- Performance centered learning
- FAQs, tools, templates, resources, references

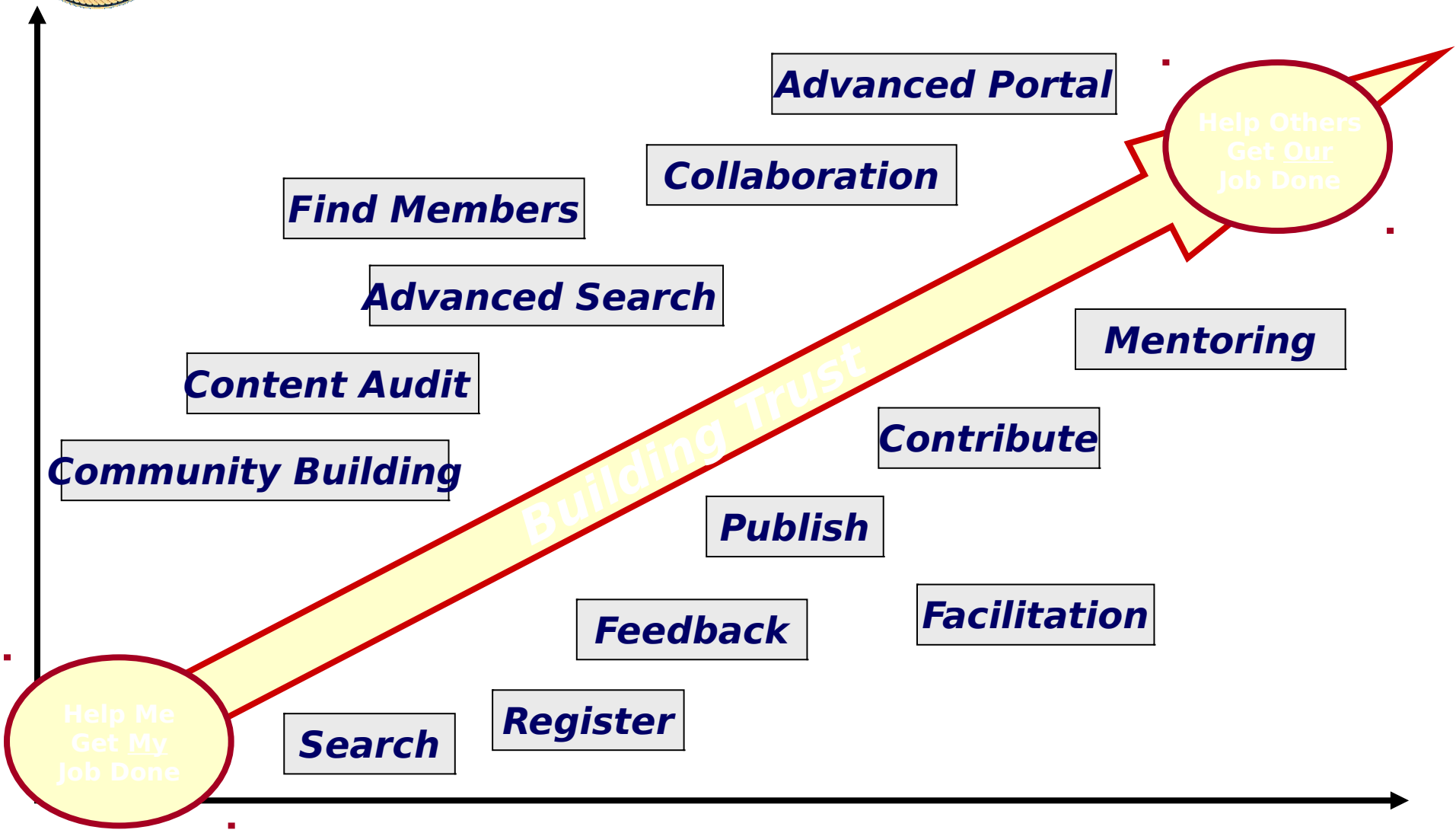
Contract Management

TOC Total Ownership Cost

How

- Practitioner driven
- Evolutionary development
- Desktop compatible, web-based, server based
- Maximize leverage of other efforts & investments
- Measure progress towards organizational & cultural change

Community Build Maturity Model



KM Lessons Learned

LEADERS MUST USE IT/PARTICIPATE
PEOPLE
MUST SHOW VALUE
HIGH PAYOFF TARGET
MUST HAVE BELIEVERS
LEVERAGE EXISTING SOURCES
EVOLVE

BUILDING A KM PROGRAM IS NOT EASY OR CHEAP!

Risk Management Community Objectives

- Build a robust online community of risk management professionals
- Leverage community expertise to improve the performance of RM tasks, questions and problems
- Integrate fundamental learning content with practitioner developed knowledge assets to improve performance

Risk Management Community "Entice, Excite & Engage"

- The essence of this community is its members
- Develop and Evolve RM Community direction based on community needs and concerns
- Expand Risk Management community by reaching out and interacting with potential members
  - Conferences, presentations, brochures, website, phone calls, emails, interviews, assistance to community members, trinkets, word of mouth
- Cultivate community interaction through PMCoP Site, Contributions, Discussions, Community Meetings

Risk Management Community Identified Tasks

- Planning Tasks
  - Develop and document a well organized risk strategy
  - Determine Methods to implement the risk management strategy
  - Create a Risk Management Plan
- Assessment Tasks
  - Identify Risk Events
  - Conduct Risk Analysis
  - Perform a Performance/Technical Assessment

Lessons Learned Cultivating a Cop

- Hard to track in database driven web sites
- CRM Systems critical for effective metrics of KM Community based sites
- 65% of overall effort spent community building
- Real relationships are the key
- Objective is more important than the plan

Transition from Pilot to DoD AKSS

- Transition in progress…next 6 months
  - Use www.DESKBOOK.DAU (AKSS)
    www.PMCOP.DAU (PMCOP)
- Continue integration into Learning Model
- Come join and use and/or contribute
- My vision…
  - Functional + Process + Program COPs
  - Expanded Industry/DoD/other partnerships

Risk Management: Program Management Community of Practice (2.55e: pr) - Microsoft Internet Explorer provided by Defense Acquisi
File Edit View Favorites Tools Help
Back Search Favorites History
Address http://pmcop.ar.navy.mil/pmcop/ev.php?URL_ID=1203&URL_DO=DO_TOPIC&URL_SECTION=201&reload=1031672258
Go
Links Customize Links Free Hotmail RealOne Player Windows Media Windows

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sitemap

Participate

Add your knowledge

PM CoP > Risk Management

Risk Management

Risk Management Community

open topic

Features

- **Risk Assessment for the Tiles of the Space Shuttle - 1994**

ESOH Risk MGT

Risk Management under Evolutionary Acquisition (4) - There have been a number of ...
Mr. Noel Dickover 2002-10-15

What's New

RM Community Meeting 02-19-03

RM Community Meeting 12-06-02

RE: Requirements to Risk - Interesting brief...thanks for ...
Professor John Driessnack 2003-02-21

RE: EVM and

http://pmcop.ar.navy.mil/simplify/ev.php?URL_ID=1322&URL_DO=DO_TOPIC&URL_SECTION=201&reload=1031832306
Internet
Start PM-250 DAU-driessna... Section 331 - ... Microsoft Out... Risk Manag... 2:17 PM